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TAGS: [PGOV](#) [PREL](#) [GG](#)  
SUBJECT: GEORGIA: TV NEWS MARKET LACKING BUT IMPROVEMENTS  
MAY BE ON THE HORIZON

REF: TBILISI 1890

Classified By: AMBASSADOR JOHN F. TEFFT. REASONS: 1.4 (B) AND (D).

¶1. (C) Summary and Comment: Access to television airtime has long been a source of opposition dissatisfaction with President Saakashvili and the GOG. While there is substantial evidence that the playing field is not level between the government and the opposition on the televised airwaves, the reasons for this are complex. The announcement of plans for two new political talk shows beginning in December are an indication that opposition viewpoints on TV may increase. The inclusion of an opposition member on the Georgian National Communications Commission is a further step to allow for more balanced control over media entities. However, media self-censorship and the pro-Government editorial slant of Rustavi, Georgian Public Broadcasting, and Imedi TV remain a concern. A small media market where profit margins are slim (if any) restricts the availability of a wide variety of programming in general, and political and news programming specifically. Although there are allegations of senior government officials influencing what stories are carried by television stations, there is no hard evidence that this is happening. There is no obvious quick fix to a "tilted" playing field especially since there is little evidence that the GOG is putting up bureaucratic, legislative, regulatory or other barriers for willing participants to enter the television market. As we think about how best to focus USG assistance on promoting free media, we will need to consider how much the current media situation reflects a systemic pro-GOG bias, market factors, or simply the fact the opposition has been losing in the broader marketplace of ideas. End Summary and Comment.

#### SPARSE LANDSCAPE FOR NEWS/OPINION SHOWS

¶2. (C) Georgi Sepashvili, chief editor of civil.ge and independent media analyst (Embassy Note: civil.ge receives some USG assistance. End Note.), told PolOff that only three national stations have news reporting, Rustavi, Georgian Public Broadcasting, and Imedi TV. The three main stations provide frequent news programming. In each case, the news bureau has control over the content, and apart from "Dgis Komentary" ("Daily Comment" the only current talk show on TV which airs on Georgian Public Broadcasting) the broadcasts are presented as straight news. Sepashvili said the Georgian ad market (estimated at \$25-35 million a year) barely supports three national stations. Sepashvili had no insights into the profitability of Rustavi or Imedi, but noted the costs of producing news programs are often prohibitive. Sepashvili lamented the general lack of news programs and public policy based programs, although he acknowledged the substantial role that market based supply and demand forces play in restricting political programming. Ia Antadze, correspondent for Radio Liberty, told PolOff that the current media market in Georgia is difficult, but could be improved significantly even in its current form. She stated that news coverage was much better in the recent past (before Imedi was closed and reopened under new ownership) because there was

competition between the three stations. Now, Antadze said, the three stations often work together doing pool reporting, using the same footage, and the same interviews. The result has been that the three national channels have essentially started to act as one. While the pooling practice may make economic sense, in the opinion of Antadze, it leads to less diverse news coverage.

13. (C) Sepashvili said he welcomes the news that two new political talk shows are scheduled to come on line in December. Sepashvili expressed his hope that the two new shows will provide for substantive debates on policy issues rather than just free airtime to opposition figures to push their agenda. Antadze also greeted the new political talk show proposals with guarded optimism but cautioned that the devil will be in the details. She noted that if the shows are hosted by reputable journalists and are successfully seen as providing honest, unbiased debate, they will be a step in the right direction. If they are seen as just pushing the GOG agenda, or like Sepashvili fears, a giveaway of free air time to opposition figures, the overall effect on greater media access to alternative viewpoints will be minimal.

14. (C) Lastly, because profit margins are small or non-existent, there is little business incentive to enter the television market. Sepashvili says that taking on news programming creates "tons" of headaches and significant up-front investment, so he is not surprised about a general lack of market interest in providing alternative news coverage. Sepashvili said Badri Patarkatsishvili subsidized Imedi TV to a tune of GEL 20 million a year (about \$13.3 million; other estimates put it at as high as \$4 million a month). Absent an oligarch who may have his own political

agenda, the likelihood of a market based alternative to Rustavi or Imedi in the near future is minimal. Former PM Gurgendidze argued to a recent visiting delegation that he viewed the media freedom issue as market-driven. Neither Antadze nor Sepashvili disagree as a general principle, but noted that this argument is often used as an excuse to dismiss legitimate calls for reforms. (Embassy Comment: The other problem with this argument is that it is highly unlikely that either Imedi or Rustavi turns a profit, meaning the "market" actually does not support any national commercial station. End Comment.)

#### MURKY OWNERSHIP, SELF CENSORSHIP, AND FRIENDLY EDITORIAL POLICY

15. (C) Both Antadze and Sepashvili are of the opinion that access to TV for opposition figures or alternative viewpoints is substantial and is a relatively minor issue. In their view, editorial policy and the amount of time devoted to stories is much more problematic. Sepashvili explained his view that the GOG is not censoring the news, nor dictating editorial policy. Rather, Sepashvili said, Saakashvili and his administration receive predominately favorable coverage because of editorial policies. Sepashvili and Antadze note that a general lack of transparency in TV ownership fosters doubt about the propriety of the stations, and opens Saakashvili and the GOG up to criticism. Sepashvili said that it is no surprise that pro-Saakashvili owners of large media outlets would take a more sympathetic view of GOG actions. Rustavi is owned by GIG (45%) (Georgian Industrial Group whose founder is David Bezuashvili, a UNM parliamentarian who is close to Saakashvili and the brother of Gela Bezuashvili, Director of Georgia's Intelligence Service), and Geomedia group (55%) which is registered in the Marshall Islands whose ultimate ownership is unknown. Joseph Kay, the current owner of Imedi (see below for more detail), whether a Saakashvili supporter or not, does not seem interested in advancing former owner Badri Patarkatsishvili's noted animosity toward Saakashvili. According to station management, he is focused on making Imedi media become profitable, and keeping it under the government's radar. Though the key management of Imedi dates from the period of Patarkatsishvili's ownership, the news director is seen as a

Saakashvili ally and takes a largely sympathetic editorial policy toward the GOG.

¶6. (C) Sepashvili sees no obvious way to remedy the situation, telling PolOff that the news produced by Rustavi, Georgian Public Broadcasting, or Imedi is not false or openly misleading. Both Sepashvili and Antadze say the real problem is that negative news is often buried at the end of a newscast or given only a brief mention, whereas GOG success stories or favorable news is given extended airtime. Sepashvili and Antadze believe that the current media environment encourages journalists to self-censor and take a less critical view of the GOG. This environment has been heightened in the wake of the August conflict, since critical stories could be seen as anti-patriotic or pro-Russian. Additionally, most reporters are hired on month-to-month contracts which means job security is constantly at risk. Sepashvili and Antadze are in agreement that it is misplaced to place blame Saakashvili or individual ministers in the GOG for editorial policy or media self-censorship. In fact, both say there is little evidence to support assertions of blatant GOG pressure on the media. However, as Sepashvili says, there is no need for the GOG to do so; they get the coverage they want without it. Sepashvili says this built in pro-GOG bias is exacerbated by the fact that the opposition has not been able to formulate an articulate, alternative policy vision to drive coverage.

#### ALTERNATIVE TV -- SOME OPTIONS EXIST

¶7. (C) Two alternative news outlets exist. The first is Kavkasia (Embassy Note: USAID provides some funding to Kavkasia. End Note.) which is a Tbilisi-based cable channel that provides extensive opposition coverage. Sepashvili says the production quality is low and is a reflection on its budget. Another problem is the effective boycott of GOG officials from appearing on the station. Sepashvili and Antadze describe Kavkasia as the opposition channel, though Kavkasia's private ownership (a husband and wife team) rejects this characterization. The level of discourse varies widely depending on which opposition figure is on and in what type of forum. GOG officials are happy to cite Kavkasia as evidence of an open media environment, but according to Sepashvili and Antadze, its limited broadcast reach and low budget means it by itself is not a true alternative. Some viewers have compared Kavkasia's programming to local cable access channels in the United States.

¶8. (C) Another Tbilisi based cable channel, Maestro, shows

promise of being a venue for more open political discourse and alternative viewpoints. Both Sepashvili and Antadze are hopeful that Maestro will "fill the market gap" when it returns to the air (reftel). Early indications are that Maestro is committed to hiring professional journalists and editors in order to provide more balanced and rounded news coverage and opinion programs. After legal wrangling and a few licensing setbacks, Parliament recently voted to allow Maestro to provide news coverage. Lastly, still in its conceptual stage, the GOG is also contemplating a nation wide Georgian "C-SPAN" to provide round the clock coverage of political events. Details are again unclear and technical issues would need to be resolved, mainly that the proposed station that would hold this "C-SPAN" is currently being used by the Patriarchate. If realized, the new Georgian C-SPAN along with Maestro would represent a step forward to ensure a more open and robust political debate throughout the country.

#### IMEDI RUMORS

¶9. (C) The mystery surrounding Imedi's rightful owners continues. Rumors are rampant that Imedi may be turned over to Ina Gudavadze (Patarkatsishvili's widow). Imedi is currently owned by AmCit Joseph Kay (born Kakalashvili) who is the stepson of former owner Badri Patarkatsishvili's aunt. Gudavadze published an open letter to Saakashvili on

November 19 demanding Imedi's return. In the letter and in her public statements she is careful to state that "(she) is not a politician, and ha(s) no political ambitions." Joseph Kay's attorney relayed to us that Ms. Gudavadze is not pursuing the return of Imedi in any of the four ongoing court cases concerning the estate of Patarkatsishvili. She is only contesting the control of Imedi in the court of public opinion.

¶10. (C) Additionally, Kay's lawyer told us that Patarkatsishvili was in negotiation with the GOG shortly before his death with control of Imedi being a major issue. Patarkatsishvili sold his majority stake in Imedi to Kay 14 days before his death for four principle reasons: 1) Kay is a US citizen, 2) Kay is a relative, 3) Kay is a successful businessman who could keep Imedi up and running, 4) The GOG knew that Kay has no political ambitions. Kay was also chosen by Patarkatsishvili to be the executor of his estate. Any legal disputes involving Gudavadze and Kay are solely concerned with his capacity as executor of Patarkatsishvili's estate. Imedi passed to Kay through a business transaction separate and apart from the estate and prior to Patarkatsishvili's death. Kay's attorney also told us, Kay is only the executor to Patarkatsishvili's estate, but is not an heir to any of his holdings. Former Imedi broadcaster and current Christian Democrat MP Giorgi Targamadze also confirmed to us that Kay is unambiguously the rightful owner of Imedi. Public proclamations aside, Imedi appears to be firmly in the control of Joseph Kay.

TEFFT